

Minutes of  
PUBLIC UTILITY DISTRICT NO. 1 OF PEND OREILLE COUNTY  
February 2, 2021  
TELECONFERENCE ONLY

Present: Curtis J. Knapp, President  
Richard A. Larson, Vice President  
Joseph B. Onley, Secretary

Staff Present: F. Colin Willenbrock, General Manager  
Management/District Staff  
Tyler Whitney, General Counsel & Assistant General Manager  
Karen Willner, Clerk of the Board

Others: Dan Loewen, Shell Energy Director of Energy Marketing  
Matthew McNeal, Shell Energy Originator  
Sheryl Miller, Member of the Public  
Gretchen Koenig, Member of the Public

The meeting was called to order at 8:30 a.m. by Curtis J. Knapp, President. A roll call was taken.

CONSENT AGENDA:

The minutes from the January 19, 2021 meeting and today's agenda were reviewed.

Vouchers audited certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified by RCW 42.24.090, have been recorded on a listing, which has been made available to the Board. As of this date, February 2, 2021, the Board, upon motion by Commissioner Larson and seconded by Commissioner Onley approved the following:

- The minutes of January 19, 2021 meeting and the agenda for February 2, 2021.
- Payment of those vouchers, included in the list referred to above and further described as follows: Voucher Nos. 5333 through 5358 in the total amount of \$256,669.49; ACH payments in the total amount of \$433,354.17; Wire Transfers in the total amount of \$390,096.34; and ACH payroll transactions in the total amount of \$229,108.07 for the payroll ending January 15, 2021.

BOARD WORKSHOP:

Commissioner Knapp asked if Commissioners Onley or Larson had any topics for discussion. Commissioner Onley inquired about the recent power outages in his area. Colin Willenbrock, District General Manager reported crews are working on an outage on Highway 211.

Mr. Willenbrock reported the District went into the seventh round of modified operations and restrictions. He provided a COVID-19 and District operations update. Discussion was held. He reported Kevin Conway, District Director, Compliance, Engineering, Safety & Technology and Adam Wiltse, District Safety Manager continue to work with agencies on getting vaccines for District employees.

He reported there has been a lot of activity around rural broadband and our ability to expand in north county. We have received recent attention due to this broadband outreach. He, Sarah Holderman, District Director, Treasury, Broadband & Strategic Planning, and Robert Fritz, District Community Network System Supervisor have met with Russ Elliott, Department of Commerce Director of State Broadband Office and his team who are aware of the Kalispel Tribe of Indians broadband grant award.

Commissioner Knapp provided an overview of the Washington Public Utility Districts Association (WPUDA) broadband hearing that was held on January 27. Commissioner Larson inquired about Starlink and requested more information. Mr. Fritz reported there

are a few people in north county that have it but he doesn't know much about it. Discussion was held.

Mr. Willenbrock reported we are in audit session and April Owen, District Director, Audit, Financial & Power Supply and her team have been working remotely with Moss Adams. He provided an overview of what the District has been doing financially since the Ponderay Newsprint Company (PNC) closure. We have not touched the PNC collateral funds and our days of cash on hand has remained steady. We will be able to show a positive net income. We will see how we want to use our cash going forward.

He and the team met with John Munding, Trustee of the PNC site regarding a potential bidder for the site. Mr. Munding is working against a March deadline.

He reported we are working through our strategic planning based on performance goals the Board laid out for him. He will meet with the executive leadership team on the goals and then we will have a discussion with the Board in March. Following that meeting we will place our draft plan on our website for public review and comment. He noted economic development is in our strategic plan and will be a topic of discussion.

He reported we received the Child Care Planning grant and Ms. Holderman is the lead for the grant. This project is moving forward.

He testified on the wildfire bill to expand the utility advisory committee for the Department of Natural Resources (DNR) and there is a lot of support for the bill. David Hodder, District Engineering Manager and his team and Chris Jones, District Director, Operations are spearheading our wildfire mitigation plan.

He commended Mark Scott, District Water Systems Manager for his work on the Riverview Water System Arsenic Treatment project and he reported we received a report stating the arsenic has been removed and there is no more arsenic. Mr. Scott reported the treatment plant is ready to go and we are waiting on the Department of Health for its final approval. We also received an \$82,000 low interest rate loan. Discussion was held. Commissioner Knapp commended Mr. Scott for his good work on this project and reported that he is great in managing projects that are on time and on budget.

Commissioner Onley requested a Newport Rodeo Fairgrounds update. Mr. Willenbrock provided background history.

#### SAFETY SPOTLIGHT:

Adam Wiltse, District Safety Manager reported on a few changes made to Governor Jay Inslee's Healthy WA Roadmap to Recovery program. Two regions in the Seattle Puget Sound area have moved into phase 2. He reported we need to satisfy three of the four metrics to move to phase 2. We are meeting the metrics for the 14-day trend and number of positive COVID-19 cases. We will stay in phase 1 for at least two or four more weeks. We are included with other eastern regions, such as Washington State University and are hoping spring break doesn't cause the positive case numbers to increase. Discussion was held.

Commissioner Knapp thanked Mr. Conway and his team for their help in the upcoming blood drive.

#### CUSTOMER SPOTLIGHT:

Ms. Holderman introduced Madelaine Groom "Madie" who joined us on Monday. She provided Ms. Groom's background. Commissioner Knapp welcomed her to the District.

Discussion was held regarding the electric vehicle charging station.

#### COMMISSION REPORT:

Commissioner Onley attended the WPUA legislative update calls on January 21 and 28.

Commissioner Larson attended a virtual EDC meeting on January 20 and provided an overview. He listened in to the county's planning commission meeting on January 21 and provided an overview. He attended a virtual Tri-County Economic Development District meeting on January 27 and provided an overview. He attended a virtual North Pend Oreille County Chamber of Commerce meeting last night.

Commissioner Knapp attended the WPUDA legislative update calls on January 21 and 28 and provided an overview. He attended an Energy Northwest meeting on January 27 – 28 in the Tri-Cities and provided an overview. He was asked to be on the WPUDA Nominating Committee, which he accepted.

#### COMMISSION BUSINESS:

Commissioner Larson will attend today's virtual county comprehensive planning meeting, a virtual RTI meeting on February 9, a virtual Northwest Open Access Network meeting on February 10, and a virtual Broadband Action Team meeting on February 11.

Commissioner Onley will attend a virtual WPUDA New Commissioner Training on February 17 and a virtual Greater Newport Area Chamber of Commerce meeting tonight.

Commissioner Knapp will attend a virtual Seattle City Light meeting on February 8 and the WPUDA legislative update calls on February 4 and 11.

#### BUSINESS FROM THE PUBLIC:

Gretchen Koenig, member of the public suggested the Newport State Park along the river as a possible recreational campground site. She referenced the Child Care grant and suggested partnering with the City of Newport to do a joint library and child care facility. Mr. Willenbrock thanked Ms. Koenig for her suggestions. He reported we are looking at the site by the Stratton Elementary School. We are looking for partners and have been in contact with the City of Newport.

Following a 10-minute recess, the meeting resumed.

#### SHELL ENERGY UPDATE:

Mr. Willenbrock introduced Dan Loewen, Director of Energy Marketing and Matt McNeal, Originator at Shell Energy and reported we executed a 5-year deal with Shell. He reported we have done business with Shell for a long time. He welcomed them and reported they will talk through their forecast and trends in the energy markets.

Mr. Loewen provided Shell Energy's background history. Mr. McNeal provided his background information.

Mr. Loewen provided a powerpoint presentation on Shell's partnership with the District and reported Shell's core business is on power, gas and environmental marketing and trading, asset management, and risk management. Shell trades power, gas, and renewables in real-time as well as past time. The three primary services Shell provides to the District is meeting the daily load forecast, optimizing Box Canyon Dam and Boundary Dam output and providing energy management support with risk management, opportunity analysis and market economics.

Tyler Whitney, District General Counsel & Assistant General Manager asked Mr. Loewen to give an overview of Shell's portfolio. Mr. Loewen reported they have 20% of the Priest Rapids hydro project and Box Canyon. Mr. McNeal reported they have 250 megawatts of gas generation.

Mr. Loewen explained the CAISO duck curve which is a load curve in California over a 24-hour period. Discussion was held.

Mr. Whitney thanked Mr. Loewen and Mr. McNeal for their update and presentation. They thanked the District and left the meeting.

Ms. Owen asked if a Commissioner was available this week to do an entrance conference meeting with Olga Darlington, Moss Adams. Commissioner Onley and Mr. Willenbrock will attend.

COMMISSIONER WORKSHOP:

Mr. Whitney explained the session format and Open Public Meetings Act related information and how information for the Board's consideration is to be delivered to the Board. Discussion was held. He clarified that only one Board member may submit materials on a particular topic for the Board packet in advance of a Board meeting, and that no additional discussions or responses from other Board members may occur prior to the open Board meeting.

Commissioner Knapp inquired if there was any further questions for staff. There were no questions. He announced that the Board would go into executive session for pending and/or potential litigation, not to last past 1:00 p.m., and once the executive session is over he will rejoin this meeting. He reported the next meeting is February 16 as a virtual one via Microsoft Teams.

EXECUTIVE SESSION – PENDING AND/OR POTENTIAL LITIGATION:

A 90-minute executive session on pending and/or potential litigation commenced at 11:20 a.m. The following were in attendance: Board of Commissioners; Colin Willenbrock, General Manager; and Tyler Whitney, General Counsel & Assistant General Manager. The executive session adjourned at 12:50 p.m. The Board returned to open session. No final action was taken.

There being no further discussion to come before the Board, the meeting adjourned at 12:51 p.m.

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President

ATTEST:

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Secretary

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General Counsel  
Approved as to Form